



**DEPARTMENT OF COMMERCE**  
**Foreign-Trade Zones Board**

[B-46-2021]

Foreign-Trade Zone (FTZ) 98 – Birmingham, Alabama; Notification of Proposed Production Activity, Mercedes-Benz U.S. International, Inc., (Electric Motor Vehicles and Battery Assemblies), Vance and Woodstock, Alabama

Mercedes-Benz U.S. International, Inc. (MBUSI) submitted a notification of proposed production activity to the FTZ Board for its facilities in Vance and Woodstock, Alabama. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on June 10, 2021.

MBUSI already has authority to produce passenger motor vehicles within Subzone 98A. The current request would add two finished products and various foreign status materials/components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials/components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt MBUSI from customs duty payments on the foreign-status materials/components used in export production. On its domestic sales, for the foreign-status materials/components noted below and in the existing scope of authority, MBUSI would be able to choose the duty rates during customs entry procedures that apply to electric passenger motor vehicles and advanced lithium-ion battery assemblies (duty rate ranges from 2.5% to 3.4%). MBUSI would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The materials/components sourced from abroad include: sealing agents; thermal compounds; information labels; elastomer-molded seals; plastic components (cable straps; insulating plates; nuts; spacers; rivets; insulation); steel U-bolts; screws (steel; threaded; hex; rounded head; thread grooving with collars; rounded head); hex bolts; assemblies (washer; battery ventilation); threaded nuts; clip-type nuts; aluminum components (flange gaskets; panel substructures); lithium-ion cell blocks; lithium-ion batteries; battery housings; rupture disks; series resistors; high voltage battery fuse links; battery fuse links; pyrotechnical switches; contactors; electrical relays; carrier plates; high voltage plugs; junction boxes; busbar controllers; busbars; battery management units; battery cell monitor units; control unit DC/DC-converters; electrical wiring harnesses; battery substructure covers; housing covers; moisture wicking non-electric air driers; cable ducts; coolant lines; electrical wiring harnesses with cable ducts; steel service cover plates for battery access; and, battery sensors (duty rate ranges from duty-free to 8.5%). The request indicates that certain materials/components are subject to duties under Section 232 of the Trade Expansion Act of 1962 (Section 232) or Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 232 and Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: [ftz@trade.gov](mailto:ftz@trade.gov). The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

A copy of the notification will be available for public inspection in the "Reading Room" section of the Board's website, which is accessible via [www.trade.gov/ftz](http://www.trade.gov/ftz).

For further information, contact Juanita Chen at [juanita.chen@trade.gov](mailto:juanita.chen@trade.gov) or 202-482-1378.

Dated: June 14, 2021.

**Andrew McGilvray,**  
*Executive Secretary.*

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